

REMARKS:	WELL LOG	ELECTRIC LOGS	FILE X	WATER SANDS	LOCATION INSPECTED	SUB. REPORT/abd.
DATE FILED 5-15-86						
LAND: FEE & PATENTED		STATE LEASE NO. ML 41244		PUBLIC LEASE NO.		INDIAN
DRILLING APPROVED:		5-23-86				
SPUDDED IN:						
COMPLETED:		PUT TO PRODUCING:				
INITIAL PRODUCTION:						
GRAVITY A.P.I.						
GOR:						
PRODUCING ZONES:						
TOTAL DEPTH:						
WELL ELEVATION:						
DATE ABANDONED: 6-10-87 LA'D						
FIELD:		UNDESIGNATED				
UNIT:						
COUNTY:		UINTAH				
WELL NO.:		UTAH STATE NO. 1		API #43-047-31721		
LOCATION		660' FSL		1780' FWL		SE SW
		FT. FROM (N) (S) LINE.		FT. FROM (E) (W) LINE.		1/4 - 1/4 SEC.
						32

[illegible]

STATE OF UTAH
DIVISION OF OIL, GAS & MINING
DRILLING LOCATION ASSESSMENT

RECEIVED
APR 17 1986

DIVISION OF
OIL, GAS & MINING

OPERATOR TXO Production Corp. WELL NAME Utah State #1
LOCATION: COUNTY Uintah SECTION 32 T 11 S R 24 E
QTR/QTR SE/SW 660' F S L & 1780' F W L
SURFACE OWNERSHIP State of Utah MINERAL LEASE # _____

ASSESSMENT PARTICIPANTS:

DATE 04 / 15 / 86

Ivan Urnovitz (TXO)

Ed Deputy (DOGM)

Ed Deputy

I. REGIONAL SETTING/TOPOGRAPHY

Colorado Plateau, ridge and bench, ridge along east side of location runs

N-S, top of ridge about 20' above center stake, smaller ridge to the west

runs N-S, location has overall gentle slope to the north.

II. LAND USE

A. Current Surface Use:

Open range.

B. Proposed Surface Disturbance:

Cut on east 1/2 of location and reserve pit and fill to the west. Pad will
be approximately 300' N-S and 220' E-W.

C. Affected Floodplains and/or Wetlands:

None

III. ENVIRONMENTAL PARAMETERS

A. Geology:

1. Surface Formation -

Uintah Fm, thin bedded shales and siltstones, light brown and greenish gray,
low permeability.

2. Stability -

No slumps or slides - stable location.

B. Soils:

1. Soil Characteristics -

Silty clays, light to redish brown, with some gravels, small to medium
size thin bedded chips, no cobble rock.

2. Erosion/Sedimentation -

Some erosion - sheet wash and wind.

C. Water Resources:

No drainages through location, slight depression/drainage 100' from west
side of location.

D. Flora/Fauna:

Sage and native grasses - moderate cover, some juniper trees on ridge and north of location, we saw 2 deer about 1/2 mile south of location.

E. Cultural Resources/Archeology:

Not conducted as of yet, will probably be Nickens and Associates.

F. Adequacy of Restoration Plans:

Stockpile 6 to 8 inches of topsoil.

IV. RESERVE PIT

A. Characteristics:

Reserve pit on east side of location in cut material, approximately 40'X 80' and 6 to 8ft deep.

B. Lining:

No liner required.

V. OTHER OBSERVATIONS

Location is about 15 miles SSW of Bonanza and approximately 6 miles from any flowing water (Evacuation Creek), TD will be approximately 4000'

VI. STIPULATIONS FOR APD APPROVAL:

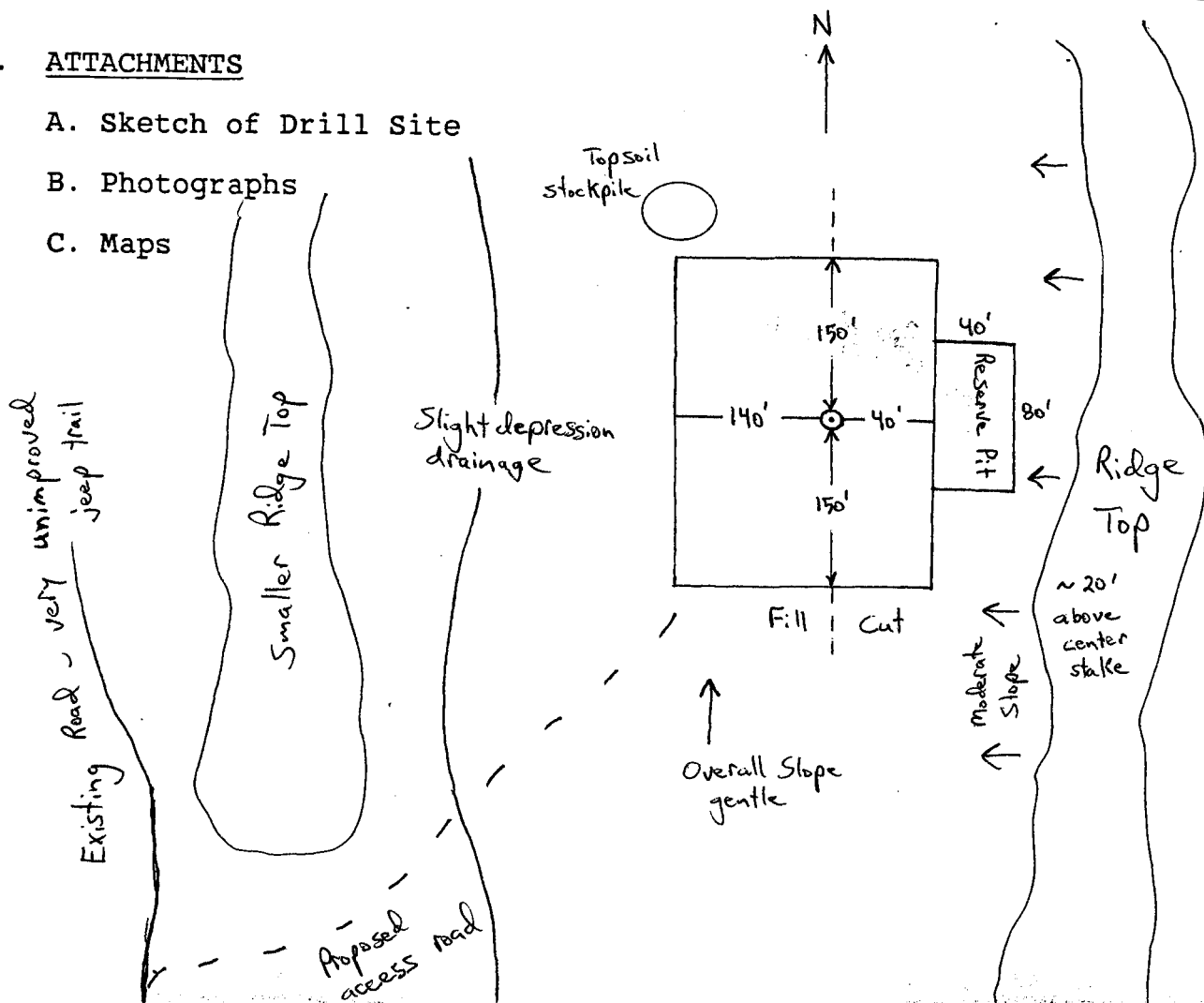
None.

VII. ATTACHMENTS

A. Sketch of Drill Site

B. Photographs

C. Maps



TXO

TXO PRODUCTION CORP.

1800 LINCOLN CENTER BUILDING
DENVER, COLORADO 80264

TELEPHONE (303) 861-4246

May 13, 1986

RECEIVED
MAY 15 1986

State of Utah
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

DIVISION OF
OIL, GAS & MINING

Re: Utah State #1
Section 32-T11S-R24E S.L.B.&M.
Uintah County, Utah

Gentlemen:

TXO Production Corp. hereby submits two copies of an Application for Permit to Drill for the well referenced above. Included in the package are the Drilling Program and Surface Use Plan for the proposed well. The approved permit number for water use will be forwarded when received from the Division of Water Rights.

If you have any questions do not hesitate to contact me at this office.

Very truly yours,

TXO PRODUCTION CORP.

R.K. Urnovitz

R.K. (Ivan) Urnovitz
Environmental Scientist

RKU/gbp

Enclosures

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

(Other instructions on
reverse side)

14

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		5. Lease Designation and Serial No. 43-65-0012 ML 41244
b. Type of Well Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone <input type="checkbox"/>		6. If Indian, Allottee or Tribe Name ---
2. Name of Operator TXO Production Corp. Attn: R.K. (Ivan) Urnovitz		7. Unit Agreement Name ---
3. Address of Operator 1800 Lincoln Center Bldg. Denver, CO 80264		8. Farm or Lease Name Utah State
4. Location of Well (Report location clearly and in accordance with any State requirements.*) At surface 660' FSL, 1780' FWL (SE/SW) Section 32 At proposed prod. zone same as above		9. Well No. 1
14. Distance in miles and direction from nearest town or post office* 27 miles south-southwest of Bonanza, Utah		10. Field and Pool, or Wildcat UNDESIGNATED Oil Springs
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg. line, if any) 660'	16. No. of acres in lease 660	11. Sec., T., R., M., or Blk. and Survey or Area Sec. 32-T11S-R24E SLB&M
18. Distance from proposed location* to nearest well, drilling, completed, or applied for, on this lease, ft. ---	19. Proposed depth 4000'	12. County or Parrish Uintah 13. State Utah
21. Elevations (Show whether DF, RT, GR, etc.) 6009' GR	20. Rotary or cable tools Rotary	22. Approx. date work will start* July 9, 1986
23. PROPOSED CASING AND CEMENTING PROGRAM		
Size of Hole	Size of Casing	Weight per Foot
12 1/4"	8 5/8"	24#
7 7/8"	4 1/2"	10.5#
		Setting Depth
		350'
		4000'
		Quantity of Cement
		180 sacks (approx.)
		425 sacks

1. Cement will be circulated to surface.
2. All casing will be new K-55.
3. Survey plat is attached.

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING

DATE: 5-23-86

BY: John R. Dasher

WELL SPACING: 302

RECEIVED

MAY 15 1986

DIVISION OF
OIL, GAS & MINING

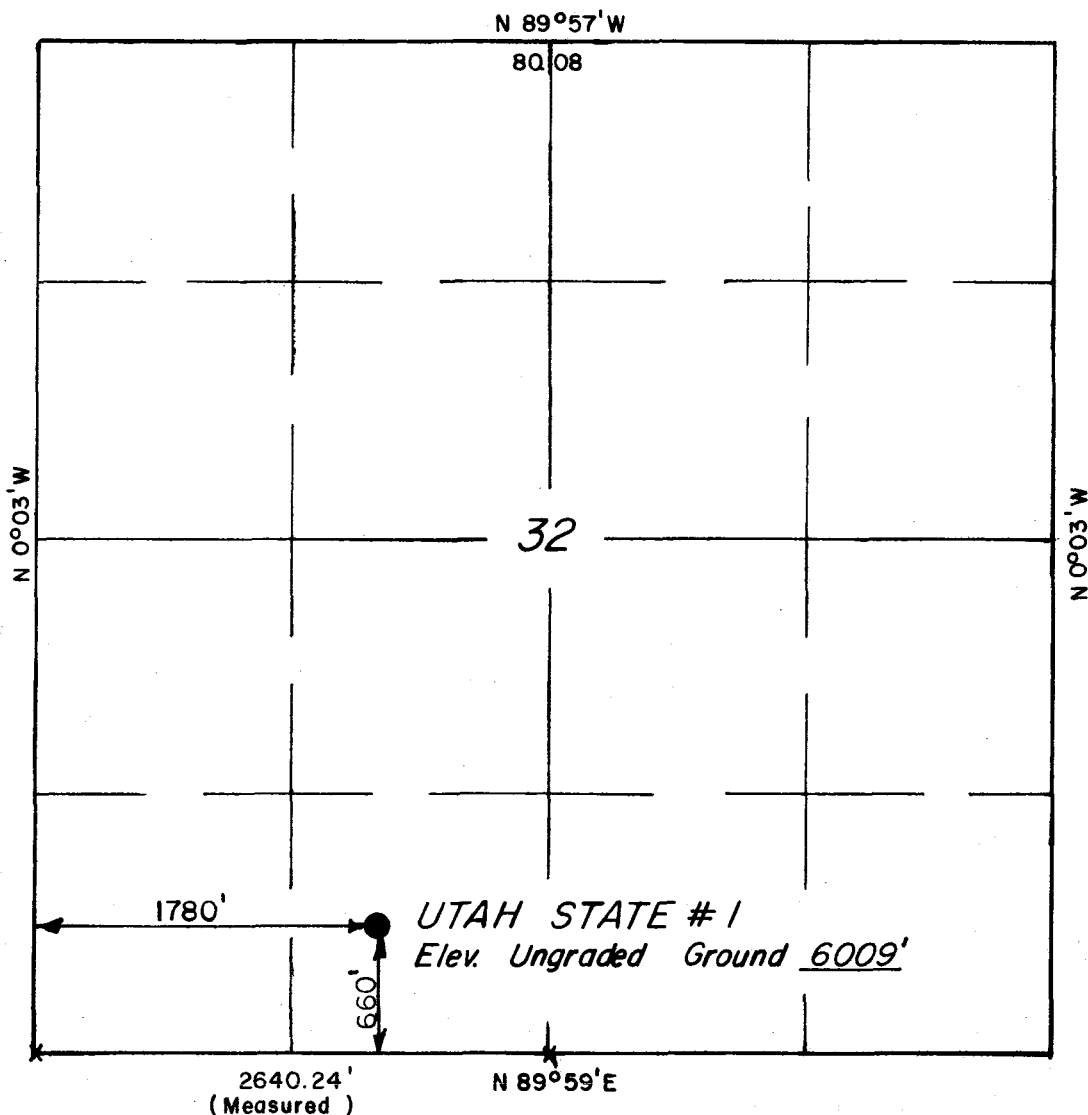
IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. Signed R.E. Dasher Title District Drilling & Prod'n Mgmt. Date May 9, 1986
(This space for Federal or State office use)

Permit No. 43-047-31721 Approval Date _____

Approved by _____ Title _____ Date _____
Conditions of approval, if any: _____

T 11 S, R 24 E, S.L.B. & M.



X = Section Corners Located

PROJECT
TXO PRODUCTION CORP.

Well location, *UTAH STATE # 1*,
located as shown in the SE 1/4, SW 1/4,
Section 32, T 11 S, R 24 E, S.L.B. & M.
Uintah County, Utah.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM
FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY
SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE
BEST OF MY KNOWLEDGE AND BELIEF.

Lawrence L. Kay
REGISTERED LAND SURVEYOR
REGISTRATION NO 3137
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING
P O. BOX Q - 85 SOUTH - 200 EAST
VERNAL, UTAH - 84078

SCALE	1" = 1000'	DATE	4-15-86
PARTY	D.A. R.B. J.T.K.	REFERENCES	GLO PLAT
WEATHER	FAIR	FILE	TXO

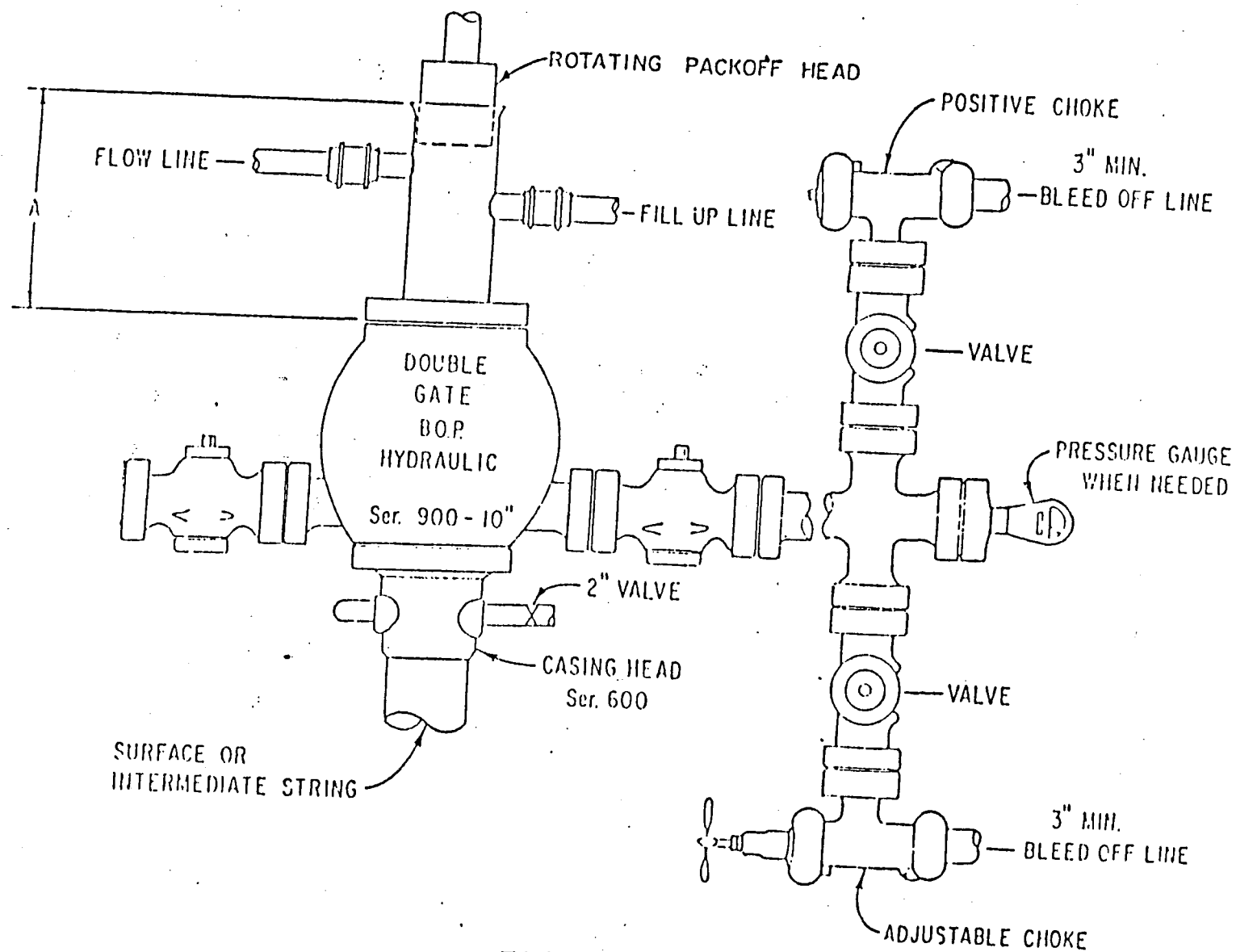


EXHIBIT I
BLOWOUT PREVENTER DIAGRAM

TXO PRODUCTION CORP.

DRILLING PLAN

DATE: May 12, 1986

WELL NAME: Utah State #1

SURFACE LOCATION: 660' FSL, 1780' FEL, Sec. 32-T11S-R24E, S.L.B.&M.
Uintah County, Utah

STATE OIL & GAS LEASE NO.: 43-065-0112

I. DRILLING PROGRAM

1. SURFACE FORMATION: Uinta

2. ESTIMATED FORMATION TOPS:

Green River	850'
Wasatch	2670'
Mesaverde	3920'
Total Depth	4000'

3. ESTIMATED DEPTH AT WHICH OIL, GAS, WATER OR OTHER MINERAL BEARING ZONES MAY BE ENCOUNTERED:

Possible gas zones: Green River, Wasatch & Mesaverde
Possible oil zone: Green River

Possible water zones: Green River, Wasatch and Mesaverde

4. PRESSURE CONTROL EQUIPMENT:

- A. After surface casing is set, a double ram-type blowout preventer with blind rams and pipe rams, with minimum working pressure of 2000 psi, which is greater than the anticipated bottomhole pressure of 1500 psi, will be installed. See Exhibit 1.
- B. A choke control, fill and kill lines with minimum working pressure of 2000 psi will be installed.
- C. The equipment in A and B will be pressure-tested to 1500 psi for a minimum of 15 minutes before drilling surface pipe cement, and the blowout preventer will be tested for proper operation daily and during trips.

5. CASING PROGRAM: AS PER FORM OGC-1a
6. CEMENTING PROGRAM:
 - A. Cement will be circulated to the surface when cementing surface casing. The estimated maximum cement volume required is annular volume plus 100% excess.
 - B. All hydrocarbon zones potentially capable of economic production will be cemented off.
7. MUD PROGRAM:

0-2400' Native mud at 8.8-9.0 lbs/gallon

2400'-4000' LSND, 9.0-9.2 lbs./gallon with API viscosity of 40-45 and water loss less than 10 cc's.

Mud flow will be monitored via pit level indicator.
8. CORING, LOGGING, TESTING PROGRAM:
 - A. No coring is anticipated.
 - B. Logging program will consist of: GR-SP-DIL from TD to surface pipe. GR-CNL-FDC from TD to 2000' above total depth.
 - C. DST's are planned for all zones of interest.
9. ABNORMAL CONDITIONS:
 - A. No abnormal pressures or temperatures are expected.
 - B. No hazardous gases such as H₂S are expected.
10. AUXILIARY EQUIPMENT
 - A. A kelly cock will be used.
 - B. A float valve will be run in the drill string above the bit.
 - C. A sub with full opening valve will be kept on the derrick floor to stab into DP when kelly is not in use.
11. ANTICIPATED STARTING DATES:

Start location construction	July 9, 1986
Spud date	July 12, 1986
Complete drilling	July 26, 1986
Completed	August 10, 1986

12. COMPLETION:

A completion rig will replace the drill rig for this phase of the proposed program should the well prove to have commercial potential. Productive zones will be perforated, tested and treated as necessary. Gas will be flared during testing, and any produced water will be contained in the drilling reserve pit. The extent of treatment of a zone, such as acidizing and/or fracing, can only be determined after the zone has been tested. A full completion program will be furnished, if requested, after drilling and logging.

SURFACE PROTECTION PLAN

1. SOURCES OF CONSTRUCTION MATERIALS

- A. Information shown by exhibit or by written description: TXO anticipates that cuts on location will furnish sufficient quantities of materials to construct a level location. Topsoil will be stockpiled on the east side of the pad for later use during rehabilitation of the disturbed areas. Excess excavated material from cuts will be stockpiled on the east side of the reserve pit. Refer to Exhibit 2 .
- B. Identify if from State, Federal or Indian land: the affected land is State and under jurisdiction of the Utah Department of Natural Resources.

2. METHODS OF HANDLING WASTE DISPOSAL

- A. Cuttings will be contained and disposed of in the reserve pit.
- B. Drilling fluids will be contained and disposed of in the reserve pit. While drilling with air or gas, a dust arresting system will be installed on the blow line.
- C. Produced fracing fluids will be directed to the reserve pit for evaporation.
- D. Sewage: A portable chemical toilet will be on location during operations.
- E. Garbage and other trash will be placed in a trash bin and removed to a sanitary landfill after the well is completed.
- F. Protective Devices: The flare pit (if necessary) will be fenced and flagged to protect animals. The drilling reserve pit will be fenced on three sides during drilling, and on the fourth side prior to the rig moving off location. If any oil is in the reserve pit, it will be removed and overhead flagging will be installed.
- G. Statement regarding proper cleanup when rig moves out: All pits will be backfilled after being allowed to dry out and the area restored as under Item 5 of this plan.

3. ANCILLARY FACILITIES

Proposed camps and airstrips identified on a map as to their location, area required and construction methods: None planned.

4. WELL SITE LAYOUT ATTACHMENT AND PROPOSED RIG LAYOUT

- A. Cross section of drill pad with cuts and fills: Refer to Exhibit 2 .
- B. Location of mud tank, reserve pit, trash bin, pipe racks and other facilities: Refer to Exhibit 2 .
- C. Statement regarding pit lining: Reserve pit will be unlined. However, if the sub-surface structure is too porous or is highly fractured, a 4 to 6 inch layer of bentonite will be placed in the pit to prevent excessive seepage and possible groundwater contamination.

5. PLANS FOR RESTORATION OF SURFACE

- A. Backfilling, leveling, contouring, and waste disposal: Upon completion of the well, the site will be cleared of all debris and the mouse and rat holes filled. The reserve pit will be allowed to dry by evaporation and then backfilled. Cuttings, drilling muds, and other spent materials directed to the reserve pit pursuant to Item 4 above will be buried in the pit when it is backfilled. Disturbed areas of the pad not needed for production facilities will be graded to an appearance consistent with the natural contours, covered with topsoil, disced and seeded with a mixture acceptable to the State. If the well is not commercially productive, the entire pad will be reclaimed as described above.
- B. Timetable for commencement and completion of rehabilitation operations: Rehabilitation will commence when drilling operations are completed, approximately August, 1986 and should be completed within one year. Seeding of the recontoured pad would be performed following pit backfill and recontouring operations during the fall season.

6. SURFACE OWNERSHIP

The well pad is located in Uintah County, Utah on State owned land.

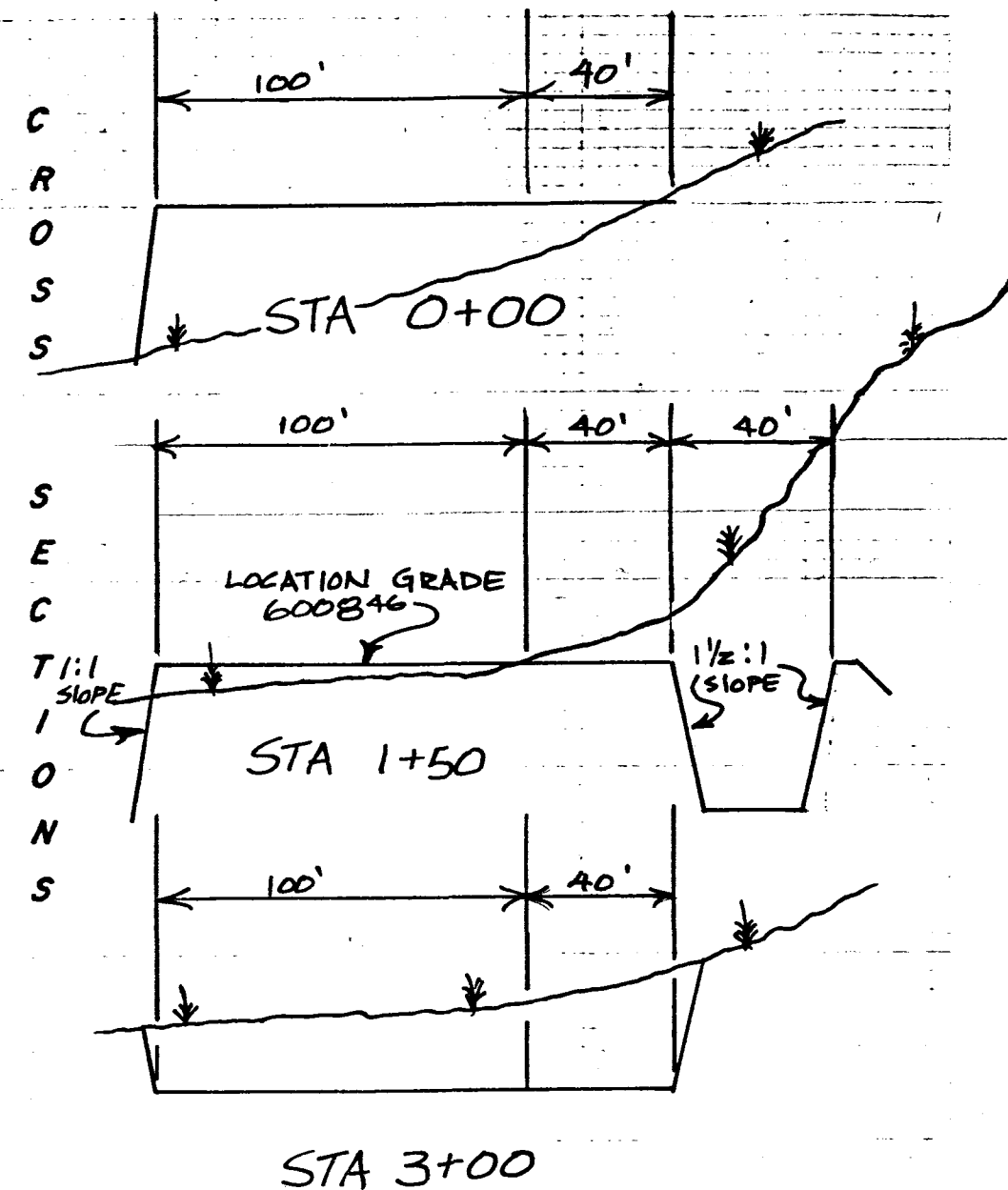
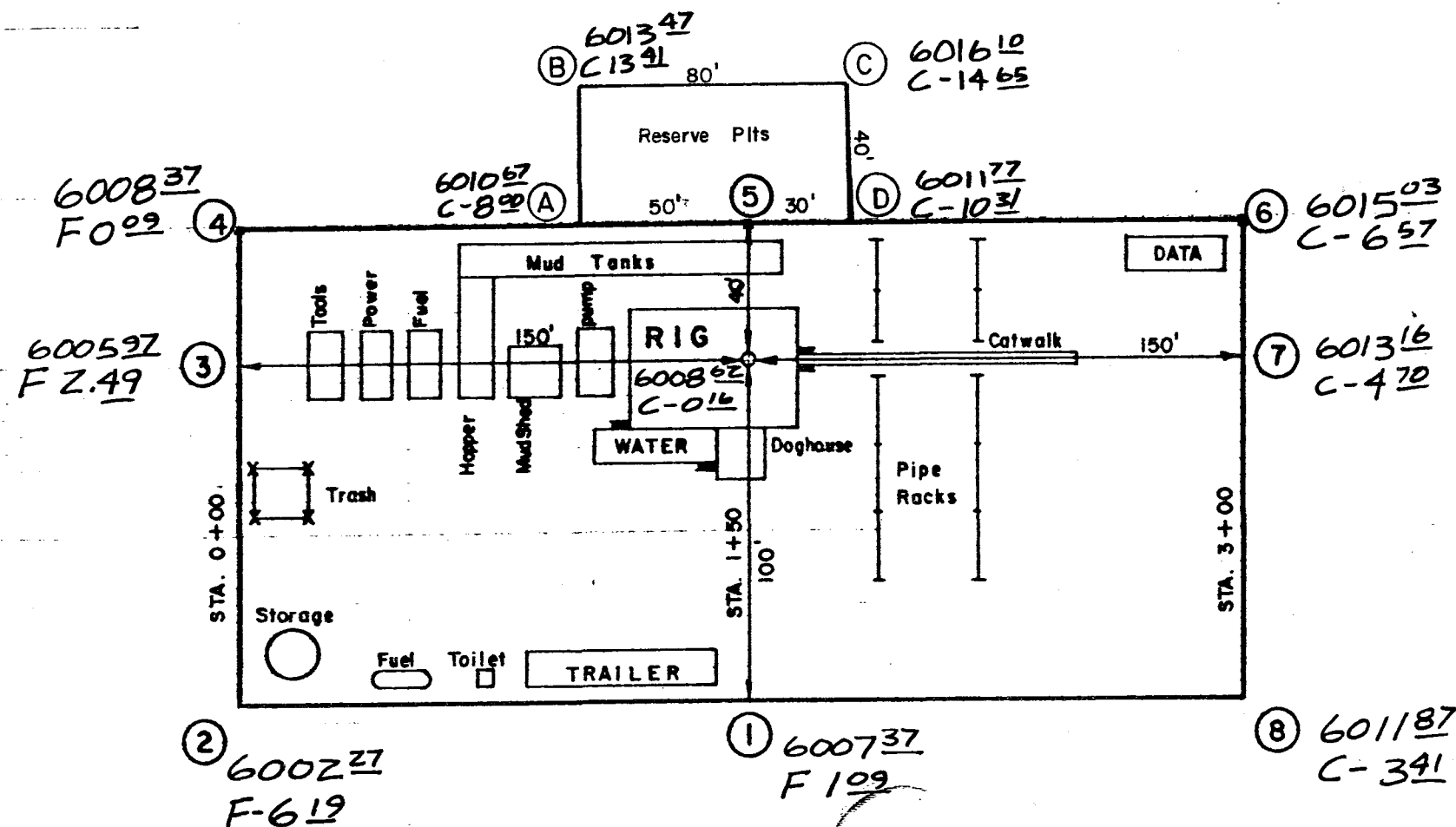
7. OTHER INFORMATION

General description of:

- A. Topography, soil characteristics, geologic features, flora, fauna: The well site is located on gently sloping ground. The soil in the area is a sandy clay loam. Vegetation is comprised of juniper, big sagebrush, four-winged salt brush and native grasses. Animals inhabiting the area include deer, small mammals and birds.
- B. Other surface-use activities include: oil and gas production and livestock grazing.
- C. Proximity of water, occupied dwellings, archeological, historical or cultural sites: There are no live streams or occupied dwellings in the area. A cultural resource survey will be completed and the results forwarded to the proper state agency.

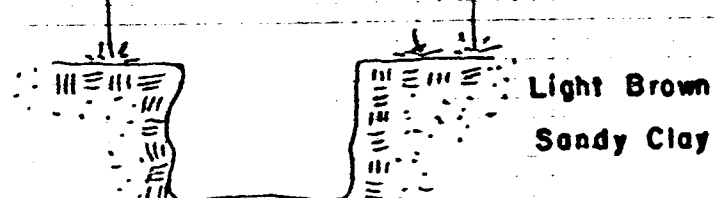
TXO PRODUCTION CORP

UTAH STATE #1



SOILS LITHOLOGY

- No Scale -



Scales

1" = 50'

APPROX. YARDAGES

Cubic Yards Cut - 3730.29

Cubic Yards Fill - 1568.96

OPERATOR TXO Production Corp DATE 5-16-86

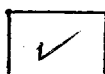
WELL NAME Tata State #1

SEC SESW 32 T 11S R 24E COUNTY Yinton

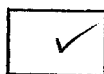
43-047-31721
API NUMBER

State
TYPE OF LEASE

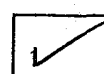
CHECK OFF:



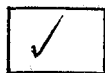
PLAT



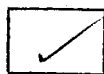
BOND



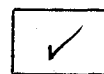
NEAREST
WELL



LEASE



FIELD



POTASH OR
OIL SHALE

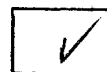
PROCESSING COMMENTS:

No other well within 920'

Need water permit

APPROVAL LETTER:

SPACING: ☐ 203 _____
UNIT



302



CAUSE NO. & DATE



302.1

STIPULATIONS:

1 - Water



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

May 23, 1986

TXO Production Corporation
1800 Lincoln Center Building
Denver, Colorado 80264

Attention: R. K. (Ivan) Urnovitz

Gentlemen:

Re: Well Name: Utah State No. 1 - SE SW Sec. 32, T. 11S, R. 24E
660' FSL, 1780' FWL - Uintah County, Utah

Approval to drill the referenced well is hereby granted in accordance with Rule 302, Oil and Gas Conservation General Rules, subject to the following stipulations:

1. Prior to commencement of drilling, receipt by the Division of evidence providing assurance of an adequate and approved supply of water as required by Chapter 3, Title 73, Utah Code Annotated.

In addition, the following actions are necessary to fully comply with this approval:

1. Spudding notification to the Division within 24 hours after drilling operations commence.
2. Submittal to the Division of completed Form OGC-8-X, Report of Water Encountered During Drilling.
3. Prompt notification to the Division should you determine that it is necessary to plug and abandon this well. Notify John R. Baza, Petroleum Engineer, (Office) (801) 538-5340, (Home) 298-7695, or R. J. Firth, Associate Director, (Home) 571-6068.
4. Compliance with the requirements and regulations of Rule 311.3, Associated Gas Flaring, Oil and Gas Conservation General Rules.

Page 2

TXO Production Corporation

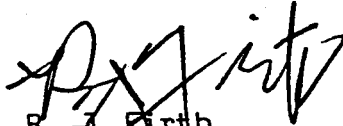
Well Name: Utah State No. 1

May 23, 1986

5. Prior to commencement of the proposed drilling operations, plans for toilet facilities and the disposal of sanitary waste at each drill site shall be submitted to the local health department having jurisdiction. Any such drilling operations and any subsequent well operations must be conducted in accordance with applicable State and local health department regulations. A list of all local health departments and copies of applicable regulations are available from the Division of Environmental Health, Bureau of General Sanitation, telephone (801) 533-6163.
6. This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date.

The API number assigned to this well is 43-047-31721.

Sincerely,



R. J. Firth
Associate Director, Oil & Gas

as

Enclosures

cc: State Lands

D. R. Nielson

8159T



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

June 10, 1987

061121

TXO Production Corporation
1800 Lincoln Center Building
Denver, Colorado 80264

Gentlemen:

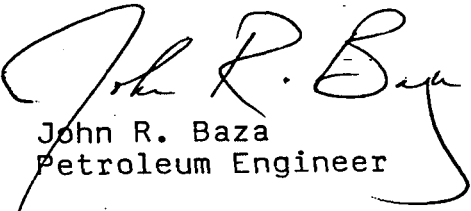
RE: Well No. Utah State No. 1, Sec. 32, T. 11S, R. 24E,
Uintah County, Utah

Due to excessive time delay in commencing drilling operations, approval to drill the subject well is hereby rescinded, effective one calendar month from the date of this notice.

If it is your intent to proceed with operations on the well, you must submit a request for extension of the approval to drill within the one month grace period. After the grace period, a new Application for Permit to Drill must be filed with this office for approval, prior to future drilling of the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division of Oil, Gas and Mining immediately.

Sincerely,



John R. Baza
Petroleum Engineer

sb

cc: State Lands
D. R. Nielson
R. J. Firth
Well file
0327T-84